

FISCAL NOTE

Bill #: HB0420

Title: Allow deduction of transportation costs in computing taxes on metal mines

Primary

Sponsor: Rick Dale

Status: As introduced

Sponsor signature	Date	Dave Lewis, Budget Director	Date
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Fiscal Summary

	<u>FY2000 Difference</u>	<u>FY2001 Difference</u>
Revenue:		
General Fund	(\$137,027)	(\$130,575)
State Special Revenue	(\$74,768)	(\$71,180)
Net Impact on General Fund Balance:	(\$137,027)	(\$130,575)

<u>Yes</u>	<u>No</u>		<u>Yes</u>	<u>No</u>	
X		Significant Local Gov. Impact		X	Technical Concerns
	X	Included in the Executive Budget	X		Significant Long-Term Impacts

Fiscal Analysis

ASSUMPTIONS:

1. There will be \$10,441,000 in CY1999 and \$9,940,000 in CY2000 of transportation costs that will be deducted from the taxable value under Metal Mines License Tax and the Metals Gross Proceeds property tax (DOR, industry).
2. The average effective tax rate for the Metal Mines License tax is 1.705% (DOR).
3. The average state, county, and school levy is 482, 392, and 315 mills for metal mines locations in Butte-Silver Bow, Stillwater, and Jefferson Counties (DOR).
4. Total state mills are 110, 101, and 101 in Butte-Silver Bow, Stillwater, and Jefferson Counties (DOR).
5. There is no impact to Department of Revenue expenditures under the proposed legislation. However, there will be some associated increase in general fund expenditures from a necessary increase in Guaranteed Tax Base Aid because the tax base of several local school districts will be decreased. The data to calculate this impact is not available at this time.

(continued)

FISCAL IMPACT:

	FY2000 <u>Difference</u>	FY2001 <u>Difference</u>
<u>Revenues:</u>		
General Fund (01)	(\$137,027)	(\$130,575)
State Special Fund (02)		
Hard Rock Mining Trust	(\$2,670)	(\$2,542)
Orphan Share Account	(\$15,132)	(\$14,406)
Groundwater Assessment Acct	(\$3,916)	(\$3,728)
Reclamation & Dev. Grants Acct	(\$8,545)	(\$8,135)
<u>Local Impact Account</u>	<u>(\$44,505)</u>	<u>(\$42,369)</u>
TOTAL	(\$74,768)	(\$71,180)

Approximately (\$33,000) of the impact shown to the general fund in each year occurs due to the reduction of property tax revenue collected from the state mills.

EFFECT ON COUNTY OR OTHER LOCAL REVENUES OR EXPENDITURES:

The proposed legislation will decrease property tax revenues to local governments and schools by (\$106,288) in FY2000 and by (\$103,487) in FY2001.

LONG-RANGE IMPACTS:

The long-term impact of the proposed legislation will be similar to the impacts shown in the coming biennium, assuming overall metal production and price levels remain close to current levels.